GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4930
ANSWERED ON:31.03.2017
FEMA
Jadhav Shri Prataprao Ganpatrao;Vasava Shri Mansukhbhai Dhanjibhai

Will the Minister of FINANCE be pleased to state:

Will the Minister of Finance be pleased to state:
(a) Whether the Government is aware that Foreign Exchange Management Act (FEMA) does not provide for prosecution and only envisage imposing of monetary penalty through the process of adjudication;
(b) If so, the details thereof and the reasons therefor; and
(c) The remedial measures taken by the Government in this regard?

Answer

MINISTRY OF STATE IN THE MINISTRY OF FINANCE

SHRI ARJUN RAM MEGHWAL
(a) to (c) Foreign Exchange Management Act 1999 (FEMA) is a civil law enacted with a view to consolidate and amend the law relating to foreign exchange with the objective of facilitating external trade and payments and for promoting the orderly development and maintenance of foreign exchange market in India.
The Government, vide Finance Act, 2015, has amended FEMA to provide for seizure and confiscation of value equivalent, situated in India, in case any person is found to have acquired any foreign exchange, foreign security or immovable property, situated outside India, in contravention of FEMA. The amendment further provides for prosecution by filing a Criminal Complaint against the guilty person.
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